

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3376 - SB 3191

February 27, 2012

SUMMARY OF BILL: Defines “preferred vendor” relative to diversity business enterprises. Authorizes the state or any political subdivision to award a contract to a preferred vendor rather than the lowest responsible and responsive bidder if the preferred vendor’s bid is no more than five percent greater than the bid of the lowest responsible and responsive bidder.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$849,600

Assumptions:

- According to the Department of General Services (TDGS), the Department spent \$11,629,556 on contract payments to Tennessee vendors in FY10-11.
- TDGS spent \$16,992,076 on contract payments to out-of-state vendors in FY10-11.
- The five percent preference allowance for state contracts results in a recurring increase in state expenditures of \$849,600 (\$16,992,076 out-of-state vendors x 5%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/sbh